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ABSTRACT

The displaced worker is an individual who has been laid off from a job and has little or no hope of returning to that particular position. The number of displaced workers is large and is apt to increase. Displaced workers are typically male, older, not highly educated, and are union members with several years of seniority and above-average wages. Long-term solutions to their needs are provided by economic development strategies involving the cooperation of government, business, and education. Short-term strategies such as Canada's Manpower Adjustment Committees are used to respond to the needs of employers and employees in specific situations. The most important goal of short-term programs may be to help displaced workers understand that there is a network of support services available. Responsibility should be shared by government, employers, labor, education, and community agencies. This fact sheet includes lists of: (1) facts and figures on displaced workers; (2) individual needs; (3) long-term economic development strategies; (4) features of adjustment committees; (5) short-term program strategies; (6) ways in which agencies can share responsibility; and (7) two references upon which this fact sheet is based (see note). (DC)

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ERIC OVERVIEW

FACT SHEET No. 21

Clearinghouse on Adult, Career, and Vocational Education

DISPLACED WORKERS

What Is the Scope of the Problem?

The displaced worker is an individual who has been laid off from a job and has little or no hope of returning to that particular position. Exact statistics on the number of displaced workers are difficult to obtain. The following facts suggest that the number of currently displaced workers is large and is apt to increase throughout the short-term future.

- By the end of 1980, one-fourth of those working in the automobile industry had become unemployed.
- Between 1975 and 1981, 13,000 plants employing a total of 2.2 million workers had applied for Trade Adjustment Assistance. This assistance is provided to plants that are reducing employment as a result of import competition.
- Current and future trends indicate that the number and problems of dislocated workers will be significant.
- Recent estimates vary, but they put the number of displaced workers in the range of 100,000 to 800,000.
- Job opportunities in manufacturing-related occupations will continue to decline. Semiskilled craftsworkers and operators will continue to be replaced by machines. New openings will be in the service sector and in maintenance and repair occupations.
- While the number of displaced workers is increasing, community resources available to provide assistance will continue to decline during the 1980s.
- Older displaced workers may resist relocation programs. The glut on local housing markets after large layoffs makes moving financially impossible for some.
- Income replacement such as unemployment compensation can be a mixed blessing. While displaced workers need income replacement, such support can impede adjustment and delay job search activities.

Who Are the Displaced Workers and What Are Their Needs?

There have been many employment and training programs developed for such groups as out-of-school youth, women who are returning to the labor force, and the chronically underemployed or unemployed. When designing programs for displaced workers, it is important to understand these individuals and to know how they differ from other groups. The typical displaced worker is very different from the typical unemployed American. The former is most often male, older, not highly educated, a union member, has several years seniority prior to layoff, and earns an above-average wage. The displaced worker has had a relatively successful and stable work history. These individuals are unaccustomed to being unemployed and probably lack career planning and management skills. Specifically, they have the following needs:

- They need to be convinced that their jobs are over and that they must seek new jobs.
- They need to have others understand that they are ready to work and have had stable, successful work experiences.
- They need job search assistance and information since they have not sought a new job in many years.
- They may need retraining or assistance in relocating.
- They may need income assistance, although such assistance may delay reemployment. An alternative is to provide early warning of layoffs and specific assistance in obtaining other jobs.
- They may need psychological support to deal with their feelings about the layoff and with the stresses of their unfamiliar situation.
- They need information about community resources that can provide support and reduce the barriers to reemployment.

How Can Economic Development Strategies Help?

There are several approaches to helping the displaced worker. At the macro level, economic development strategies can increase the number of jobs available in the local area, thus increasing the probability of reemployment of displaced workers. Local and state economic development efforts are being initiated to support the economic development of specific geographic areas. These activities are cooperative efforts involving government, business and industry, and education. The goals of these activities are to analyze needs, to develop and implement multiple strategies to attract and retain business and industry, to market the availability of specific advantages, and to continue specific economic development efforts. Here are some of the specific goals of economic development activities:

- Enabling small businesses to grow,
- Helping the unemployed start small businesses,
- Encouraging major employers to expand,
- Initiating projects to retain local industries that are closing,
- Providing incentives to business and industry to develop new jobs,
- Increasing coordination between employers and education and training programs.

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How Can Short-Term Adjustment Strategies Help?

Economic development strategies are intended to provide long-term solutions. Short-term adjustment strategies must be used to respond to the needs of employers and employees in specific situations. Through cooperation and early planning, many of the problems of displaced workers can be reduced. In Canada, a government case officer provides the catalyst for the development of a Manpower Adjustment Committee, representing management and labor, which seeks solutions to the problems of individual companies. This experience indicates that through early cooperative efforts, solutions can be found. The major features of such a committee are as follow:

- All key groups are involved, including labor, management, community, and government.
- The committee is flexible and has the freedom to select solutions that are most appropriate to the specific situation.
- It has the commitment and support of both labor and management.
- It is a short-term effort and is not constrained by elaborate bureaucratic procedures.
- It is started early in the process of a shutdown or layoff.

What Program Options Are Available?

Cooperative, short-term adjustment services for displaced workers should use a variety of program options. The formation of a short-term adjustment committee gives the basis for program development because it involves all key groups in the problem solving-process. Perhaps the most important goal is to identify or develop a range of services for displaced workers, and to help individuals understand that there is a network of services and people available to provide support. It is also important to help workers understand their situation and assume responsibility for initiating activities that will support their adjustment. Specific strategies include the following:

- Provide displaced workers with specific information about job availability, skills that are in demand, resources to aid in adjustments, and training opportunities.
- Share information about the experiences of other displaced workers, including resources they found helpful and methods of dealing with the stress of unemployment.
- Provide vocational and psychological counseling services that help the worker develop career plans and maintain a sense of self-worth. Such services can also help family members understand and adjust to the situation.
- Form job search clubs, groups in which displaced workers meet to provide support to each other and to share information about job opportunities. Job search clubs can be particularly effective.
- Have employers play a direct role in helping displaced workers seek jobs by contacting other employers. An employers' club might be used to help employers share information about potential employees.
- Make available referral services that direct displaced workers to support services available within the community. Also, workers should be informed about income support benefits and should learn how to apply for these benefits.

Where Does the Responsibility Lie?

Cooperation is the key word. Also, early warning supports timely adjustment. The displaced worker can make a smooth transition to new employment or can flounder for a considerable period of time. Delays in adjustment damage individuals and their families, and are costly because of lost production and the expense of income maintenance benefits. The responsibility should be shared through such techniques as the following:

- Government agencies can provide coordination, economic development incentives, and funding for training and income maintenance.
- Employers can give early warning of conditions leading to layoffs and involve employees in the problem-solving process. They can also identify employment opportunities through contacts with other employers.
- Labor unions and their members can provide support for individuals and resources to aid in transitions, and can contribute to the problem-solving process.
- Education can offer retraining opportunities and career and psychological counseling services.
- Community agencies can furnish services to support the adjustment process and to reduce the barriers to unemployment.

REFERENCES

This fact sheet is based on the following articles that were developed by the National Alliance of Business as Resource papers for Private Industry Councils formed under the Comprehensive Employment and Training Act (CETA).

Barth, M.C., and Reisner, F. *Worker Adjustment to Plant Shutdowns and Mass Layoffs: An Analysis of Program Experience and Policy Options.* Washington, DC: ICF, Inc., 1981. (ERIC Document Reproduction Service No. ED 209 478).

National Alliance of Business. *Employment Generating Services Handbook: Practical Models for Expanding Job Opportunities.* Private Industry Council Training Series 2. Washington, DC: NAB, 1981. (ERIC Document Reproduction Service No. ED 208 261).

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